

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016
FOR
EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

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FOR THE YEAR ENDED 31 JULY 2016**

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**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2016**

DIRECTORS:

A Charnock
L Donnithorne
J Lloyd
L J Mortimer Pine
D G Williams
G L Curling
S J Bracher
S P T Coombe
L Conlan
K A Nicol
I M Hodson
S Klindic

REGISTERED OFFICE:

7th Floor
30 Market Street
Huddersfield
HD1 2HG

REGISTERED NUMBER:

02918620

AUDITORS:

Revell Ward Limited
Chartered Accountants and Statutory Auditors
7th Floor
30 Market Street
Huddersfield
HD1 2HG

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2016**

The directors present their report with the financial statements of the company for the year ended 31 July 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2015 to the date of this report.

A Charnock
L Donnithorne
J Lloyd
L J Mortimer Pine
D G Williams
G L Curling
S J Bracher
S P T Coombe
L Conlan

Other changes in directors holding office are as follows:

S Grant - resigned 29 July 2016
K A Nicol - appointed 1 January 2016
I M Hodson - appointed 1 January 2016
S Klindic - appointed 1 January 2016

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

QUALIFYING 3RD PARTY INDEMNITY PROVISIONS

The company purchased insurance for liabilities incurred by its directors in carrying out their duties.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2016**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
J Lloyd - Director

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

We have audited the financial statements of Educational Competencies Consortium Limited for the year ended 31 July 2016 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Karen Borowski FCA (Senior Statutory Auditor)
for and on behalf of Revell Ward Limited
Chartered Accountants and Statutory Auditors
7th Floor
30 Market Street
Huddersfield
HD1 2HG

Date:

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2016**

	Notes	31.7.16 £	31.7.15 as restated £
TURNOVER		856,005	855,240
Cost of sales		281,765	404,019
GROSS SURPLUS		574,240	451,221
Administrative expenses		530,846	480,889
OPERATING SURPLUS/(DEFICIT)	2	43,394	(29,668)
Interest receivable and similar income		339	741
		43,733	(28,927)
Interest payable and similar charges		1,805	1,411
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		41,928	(30,338)
Tax on surplus/(deficit) on ordinary activities	3	68	148
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		41,860	(30,486)

The notes form part of these financial statements

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2016**

		31.7.16	31.7.15 as restated
		£	£
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		41,860	(30,486)
		<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		41,860	(30,486)
Prior year adjustment	Note 4	(75,528)	(37,129)
		<hr/>	<hr/>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>(33,668)</u>	<u>(67,615)</u>

The notes form part of these financial statements

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**BALANCE SHEET
31 JULY 2016**

	Notes	31.7.16		31.7.15 as restated	
		£	£	£	£
FIXED ASSETS					
Intangible assets	5		375,915		418,074
Tangible assets	6		1,100		2,265
			<u>377,015</u>		<u>420,339</u>
CURRENT ASSETS					
Debtors	7	248,328		871,092	
Cash in hand		715,873		-	
			<u>964,201</u>	<u>871,092</u>	
CREDITORS					
Amounts falling due within one year	8	955,427		972,727	
				<u>972,727</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>8,774</u>		<u>(101,635)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>385,789</u>		<u>318,704</u>
PROVISIONS FOR LIABILITIES	11		100,753		75,528
			<u>285,036</u>		<u>243,176</u>
NET ASSETS			<u><u>285,036</u></u>		<u><u>243,176</u></u>
RESERVES					
Income and expenditure account	12		285,036		243,176
			<u>285,036</u>		<u>243,176</u>
			<u><u>285,036</u></u>		<u><u>243,176</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
J Lloyd - Director

The notes form part of these financial statements

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The directors have prepared budgets and cash flow information for the coming financial year. Having considered the above information the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual statements.

Turnover

Income, which is recognised on a receivable basis, arises from activities undertaken on behalf of subscribing members.

Intangible assets

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects and can assess the outcome of the project with reasonable certainty. In this situation, the expenditure is capitalised and amortised over the period during which the company is expected to benefit.

Development costs - 10% on cost

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery etc - 33% on cost

Pension costs and other post-retirement benefits

The company participates in the Universities Superannuation Scheme (USS), a defined benefit pension scheme, whose assets are held in a separate trustee-administered fund. The Scheme is a multi-employer scheme and, given its mutual nature, it is not possible to identify an individual employer's share of assets and liabilities. As a result, the company accounts for the scheme as if it were a defined contribution scheme. Contributions payable to the scheme are charged to the income and expenditure account in the period to which they relate.

In addition, the company has entered into a funding plan with USS to deal with the scheme's deficit. The company recognises a liability for the contributions payable that arise from this agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the income and expenditure account.

2. OPERATING SURPLUS/(DEFICIT)

The operating surplus (2015 - operating deficit) is stated after charging:

	31.7.16	31.7.15 as restated
	£	£
Depreciation - owned assets	1,885	1,965
Development costs amortisation	42,159	3,513
Auditors' remuneration	3,060	2,940
Pension costs	71,347	74,780
Operating leases	17,200	16,994
	<u>94,851</u>	<u>100,192</u>

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

2. OPERATING SURPLUS/(DEFICIT) - continued

Directors' remuneration and other benefits etc	-	-
	<u> </u>	<u> </u>

No director received any remuneration from the company or had a beneficial interest in any contract with the company. However, the company has been charged £3,000 (2015 - £3,000) by Liverpool John Moores University for the services of Julie Lloyd, chair and director, and £3,000 (2015 - £Nil) by Leeds College of Art for the services of Graham Curling, vice-chair and director. In 2015 the company was charged £3,000 by Northumbria University for the services of Geoff Foster, former chairman and former director.

3. TAXATION

Analysis of the tax charge

The tax charge on the surplus on ordinary activities for the year was as follows:

	31.7.16	31.7.15 as restated
	£	£
Current tax:		
UK corporation tax	68	148
	<u> </u>	<u> </u>
Tax on surplus/(deficit) on ordinary activities	68	148
	<u> </u>	<u> </u>

The company is a mutual trading company for tax purposes and only pays tax on investment income.

4. PRIOR YEAR ADJUSTMENT

As a result of the introduction of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the company has to recognise a liability in its accounts for the contributions payable to its defined benefit pension scheme (to the extent that they relate to the company's share of the scheme's deficit) and also to recognise the resulting expense in profit and loss.

The amounts of the company's liability were £37,129 at 31 July 2014 and £75,528 at 31 July 2015, the effect of which is to increase expenses in the year ended 31 July 2015 by £38,399 (including an interest charge of £1,411).

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

5. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 August 2015 and 31 July 2016	421,587
AMORTISATION	
At 1 August 2015	3,513
Charge for year	42,159
At 31 July 2016	45,672
NET BOOK VALUE	
At 31 July 2016	375,915
At 31 July 2015	418,074

Intangible fixed assets relate to the costs incurred in respect of the development of a new software package. These costs have been capitalised in accordance with the company's accounting policy and are being amortised from July 2015 when the development stage was completed and the software came into use.

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 August 2015	9,610
Additions	720
Disposals	(2,170)
At 31 July 2016	8,160
DEPRECIATION	
At 1 August 2015	7,345
Charge for year	1,885
Eliminated on disposal	(2,170)
At 31 July 2016	7,060
NET BOOK VALUE	
At 31 July 2016	1,100
At 31 July 2015	2,265

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.16	31.7.15 as restated
	£	£
Trade debtors	234,222	860,920
Other debtors	14,106	10,172
	<u>248,328</u>	<u>871,092</u>

Subscription invoices for 2016/17 were issued in June, rather than in July as in the prior year. This is reflected in the decreased amounts due from trade debtors at 31 July 2016 as a significant number of subscriptions had been paid in full before 31 July 2016. This income relates to August 2016 to July 2017 and has therefore been deferred and included within "Other creditors" at the year end. All of these items represent timing differences rather than any fundamental change to the organisation.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.16	31.7.15 as restated
	£	£
Bank loans and overdrafts	-	25,586
Trade creditors	18,776	13,821
Taxation and social security	151,243	147,386
Other creditors	785,408	785,934
	<u>955,427</u>	<u>972,727</u>

9. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.7.16	31.7.15 as restated
	£	£
Expiring: Within one year	<u>4,323</u>	<u>4,268</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.16	31.7.15 as restated
	£	£
Bank overdraft	<u>-</u>	<u>25,586</u>

The overdraft in 2015 was secured by a fixed and floating charge.

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

11. PROVISIONS FOR LIABILITIES

	31.7.16	31.7.15 as restated
	£	£
Other provisions		
Pension liability	100,753	75,528
	<u> </u>	<u> </u>
		Pension liability
		£
Balance at 1 August 2015		75,528
Charge to pension costs		23,714
Interest charge		1,511
		<u> </u>
Balance at 31 July 2016		<u>100,753</u>

As described in note 1, the company participates in the USS pension scheme. The scheme is in deficit and a funding plan was agreed on 25 July 2015 for contributions to be made towards the deficit annually until 2031. The company has to recognise its liabilities under this agreement and the relevant amounts are shown above.

The parameters used by the company in determining the amount of its liability are as follows:

	2016	2015
Discount rate	2.0%	3.8%
Price inflation	CPI 2.0%; RPI 3.1%	CPI 2.0%; RPI 3.1%
Salary inflation	CPI in yr 1; CPI+1% in yr 2; RPI+1% thereafter	CPI in yr 1; CPI+1% in yr 2; RPI+1% thereafter
Changes in staffing levels	No change	No change

12. RESERVES

	Income and expenditure account £
At 1 August 2015	318,704
Prior year adjustment	(75,528)
	<u> </u>
Surplus for the year	243,176 41,860
	<u> </u>
At 31 July 2016	<u>285,036</u>

13. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Clause 5 of the Memorandum of Association provides that every member, as defined in the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up while they are a member or within one year of ceasing to be a member.

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2016**

	31.7.16		31.7.15 as restated	
	£	£	£	£
Turnover				
LMD and Towers Watson income	-		73,456	
Subscriptions	789,048		708,393	
Members' services	44,916		60,991	
Non-member consultancy income	22,041		12,400	
		856,005		855,240
Cost of sales				
DCSL licence fees	42,795		16,128	
Software development	51,617		4,319	
ECC TW annual licence fee	-		235,540	
LMD to Capita HSP	73,550		75,649	
Members' meetings	14,892		5,604	
Royalty payable	-		2,679	
Training and consultancy	56,752		60,587	
Amortisation of intangible fixed assets				
Development costs	42,159		3,513	
		281,765		404,019
GROSS SURPLUS		574,240		451,221
Other income				
Bank interest		339		741
		574,579		451,962
Expenditure				
Staff salaries and other personnel costs	297,476		245,695	
Staff national insurance	28,662		27,138	
Staff pension costs	71,347		74,780	
Telecommunications	11,800		11,190	
Printing and stationery	2,839		2,893	
Bank charges	216		3,818	
Insurance	4,403		4,394	
Staff training and recruitment	7,714		3,070	
Office and associated costs	17,210		17,047	
Non-chargeable disbursements	2,060		8,436	
Chair's honorarium	6,000		6,000	
Product development	5,311		2,480	
Professional and accountancy	26,582		24,932	
Legal fees	-		11,766	
Business development	2,790		3,240	
Company meetings	41,491		29,105	
Auditors' remuneration	3,060		2,940	
Depreciation on computers				
Fixtures and fittings	169		136	
Computer equipment	1,716		1,829	
		530,846		480,889
Carried forward		43,733		(28,927)

This page does not form part of the statutory financial statements

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2016**

	31.7.16		31.7.15 as restated	
	£	£	£	£
Brought forward		43,733		(28,927)
Finance costs				
Bank interest	294		-	
Interest on pension liability	1,511		1,411	
	<u> </u>	1,805	<u> </u>	1,411
NET SURPLUS/(DEFICIT)		<u>41,928</u>		<u>(30,338)</u>

This page does not form part of the statutory financial statements